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PROGRESS REPORT ON THE FOLLOW-UP ON AAF-SAP

INTRODUCTION

1. During the sixteenth meeting of the ECA Conference of Ministers held in Tripoli, Libyan Arab Jamahiriya from 15 May to 19 May 1990, an extensive progress report on the follow-up on AAF-SAP was presented.¹ That report covered the period from 10 April 1989 to 28 February 1990, and described a number of activities that had been undertaken to operationalize AAF-SAP subsequent to its adoption on April 1989. These activities broadly involved the following:

- (a) Submission of AAF-SAP to all relevant fora and workshops;
- (b) Consultations with financial agencies, donors and NGOs on AAF-SAP; and
- (c) Operationalization of AAF-SAP at the country and subregional levels.

2. Most of the above activities on AAF-SAP have been continued in the ensuing period, which covers 1 March 1990 to 28 February 1991. The highlights covered in the present report include: (a) the operationalization of AAF-SAP, (b) popularisation of the Alternative and (c) efforts at consensus building on AAF-SAP, especially at the international level.

1. OPERATIONALIZATION OF AAF-SAP

3. Despite the exposure given to AAF-SAP in the meetings, conferences and publications of ECA, the concept is still new in the minds of many African decision-makers, and is still in the process of achieving major changes in the policies of many Governments and funding institutions. Consolidation of existing advances has thus been a major priority. In line with the strategy followed since the adoption of AAF-SAP, the ECA secretariat has pursued a two-pronged approach, involving in-depth studies on the one hand and direct assistance to countries and subregional organisations on the other. The basic elements in each of these approaches are outlined below:

a. In-depth studies

4. The ECA secretariat has made some revisions in the three selected instruments that it introduced in 1990. As they are presently being analyzed, the instruments are as follows:

- (a) Multiple Exchange Rate Systems (MERS);
- (b) Differential Interest Rates Policy and Selective Credit Controls (DIRP and SCC); and
- (c) Price Support Policies for Food Self-sufficiency in Africa (PSP).

5. Extensive consultations have been undertaken on the drafts. In 1990, these included submissions made to the Joint Meeting of African Economists and African Planners, to the eleventh meeting of the Technical Preparatory Committee of the Whole (TEPCOW) of the ECA Conference of Ministers, and to a special subcommittee of TEPCOW.

6. Other workshops, intergovernmental meetings, and institutions, including the World Bank and the International Monetary Fund, were consulted during the past

¹ This report bears the symbol number E/ECA/CM.16/7.

year. In Central Africa a one-week workshop was held in Yaounde, Cameroon from 4-8 February 1991 on UNPAAERD, AAF-SAP and the African Charter for Popular Participation. The meeting was attended by the representatives of 10 member states of the subregion (covering the Yaounde and Gisenyi-based MULPOCs) as well as NGOs in the subregion. A similar workshop was held for the Eastern and Southern African subregion in Lusaka, Zambia, 25 February to 1 March 1991 on the same themes. At both workshops the selected policy instruments of AAF-SAP were discussed at length and comments of member states were taken into account in the final version of the policy instrument study.

7. That version is now ready, and should be published and launched by the middle of 1991 under the title of Selected Policy Instruments.

8. In addition to the in-depth study of selected policy instruments, the ECA secretariat has continued to work on AAF-SAP models. One such model is scheduled to be tested in the near future under specific country conditions in Central Africa.

B. Assistance to countries and subregion

9. The secretariat has continued to assist African countries interested in the operationalization of AAF-SAP. During the period under review, two requests were made for such assistance. In one case, assistance was requested for ECA's involvement in a workshop on structural adjustment policies in the country. A four-person team serviced the work shop. Special attention was paid to the problems of exchange rates, agricultural pricing, public service reform and privatization. In reviewing the exercise, the secretariat believes that such national workshops on AAF-SAP should be encouraged by African countries, as they are a crucial step in involving the people in the process of the design of programmes of adjustment with transformation. However, it has also noted that monitoring needed to follow up the workshops with active and coordinated support to assist the ECA secretariat in this critical part of the process.

10. In the second case, a critical site was for assistance during negotiations on an adjustment programme with the World Bank. This was the first time that an African country had accepted the assistance programme by *invitation* in the negotiations with the Bretton Woods institutions. The experience proved useful to all parties. The secretariat observes that the usefulness of assisting ECA in the negotiations is greatly increased if the member is aware of the process of designing the programme.

11. To strengthen the capacity of the ECA secretariat in assisting African countries to operationalize AAF-SAP, a team of 20 experts has been set up in ECA which deals with such issues as design of appropriate structural adjustment programmes to member states. The team is composed of highly experienced professionals in the area of policy analysis, design, and programme implementation. This ECA Multidisciplinary Advisory Group (ECA-MRAG) is described in more detail in document E/ECA/CM.17/25, entitled "ECA Advisory Services: The Challenge of the 1990's". Member states are urged to avail themselves of the advisory services of this team.

12. The ECA secretariat has also made preliminary contacts with the UDEAC secretariat, which is considering the development of studies on possible subregional adjustment programmes. The matter has been discussed at a subregional seminar on UNPAAERD held in Yaounde, Cameroon 4-8 February 1991. The conclusion has been that such subregional adjustment programmes have to be carefully examined before their implementation. The ECA secretariat has indicated its readiness to mount a mission to UDEAC headquarters to see how best to deal with the issue.

THE EVOLUTION OF AAF-SAP

13. Part of the process of consolidation has involved the popularization of AAF-SAP, a necessary step if the initiative is to be understood by greater numbers of non-specialists within its region. This strategy has involved three components, namely: (a) the continued reorientation of AAF-SAP documents; (b) the writing of a popular version of the primer; and (c) the presentation and discussion of AAF-SAP at seminars, meetings, seminars and workshops.

A. Reorientation of AAF-SAP

14. Demand for the original AAF-SAP document has continued to increase throughout the period under review. The first edition of the document was exhausted by the beginning of 1994, and a reprint is now being distributed through the two subregional bureaux.

B. The popular version of AAF-SAP

15. A popular version of AAF-SAP has been translated, and is due to be published and distributed in the middle of 1995. The re-orientation of the popular version involved all governmental bodies that should be concerned with national matters; e.g. education, science, youth, women and human resources, as well as non-governmental organizations, universities and secondary schools and students. It is hoped that both governmental and non-governmental organizations will make extensive efforts to disseminate the document as widely as possible.

C. Seminars, meetings and workshops

16. Seminars and workshops were organized in 1990, 1991 and 1992, during which time the AAF-SAP document was presented to and discussed by a number of individuals and institutions in the subregion. The two subregional bureaux explicitly and indirectly participated in all these activities, and the subregional bureaux and the two subregional bureaux were also involved in the organization and the conduct of these activities.

17. In addition, seminars and workshops were organized in 1993 and 1994, during which time the AAF-SAP document was presented to and discussed by a number of individuals and institutions in the subregion. The two subregional bureaux explicitly and indirectly participated in all these activities, and the subregional bureaux and the two subregional bureaux were also involved in the organization and the conduct of these activities.

18. There have been other meetings and workshops during which the AAF-SAP document was presented to and discussed by a number of individuals and institutions in the subregion. The two subregional bureaux explicitly and indirectly participated in all these activities, and the subregional bureaux and the two subregional bureaux were also involved in the organization and the conduct of these activities.

The AAF-SAP initiative and the future

19. The period under review saw a major effort at the international level to mobilize people, institutions and the human community to contribute to the process of African development. In essence, this effort was a meeting between what was perceived to be an emerging "technical" consensus of experts around AAF-SAP on the one hand, and the world bank's long-term perspective study (LTPS) on the other. The effort focused on how such an emerging "technical" consensus could be converted into a political consensus which could embrace both African and donor governments.

20. A Conference on these issues was held in Amsterdam, The Netherlands from 2 to 4 July 1990, under the auspices of the Government of the Netherlands. The

Conference was preceded by a preparatory workshop in April 1990 in the Hague, which involved prominent Africans, ECA, ADB, the World Bank, UNDP, UNICEF and the EEC. The preparatory workshop contributed to an "Issues Paper" that was eventually the focus of discussion at the Conference.

21. While the Conference did contribute to the process of consensus building, it should also be acknowledged that there are a number of areas on which consensus has yet to be reached. Indeed, the position of ECA at the Conference was that "the frontiers of consensus must be extended".

22. In summary, therefore, it must be observed that work on the promotion of AAF-SAP has been steadily progressing, but that much still needs to be done, particularly in the area of support mobilization at the popular level.

23. The views of the Conference on this status report, and its guidance on future directions for the secretariat, are invited.